



# VALOR RESOURCES

## ASX Release

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VAL

## BERENGUELA PROJECT UPDATE

Valor Resources Limited ("VAL", "Valor" or the "Company") is pleased to provide an update on the status of its planned work program at the Berenguela Project ("the Project").

In the 15 days since the closing of the transaction to acquire the Project from Silver Standard (SSRI), the Company has prepared an updated, detailed work programme for the coming months. The objectives of the work program are to define the economic parameters of the Project and continue expanding the resource through exploration.

### Highlights:

- **Independent Scoping Study is currently underway.**
- **Initial Metallurgical Optimisation Testing is being conducted.**
- **Drill program has nearly doubled in scale to 9,570 meters. Valor expects to mobilize drill rigs in June.**
- **Key Technical Appointments have been made in Peru to oversee all aspects of upcoming project development.**

Commenting on the Company's work program, Valor Chairman, Mark Sumner stated: *"The significant support Valor received from investors in the oversubscribed capital raising has allowed the Company to expand its scope of work significantly in the near term. The results of the independent Scoping Study will form the frame work for moving the Project towards production. Additionally, doubling the size of the drill program to nearly 10,000 meters will add significant value to the Project."*

### **Berenguela Scoping Study:**

The Company has commenced work on an Independent Scoping Study to evaluate high-level economics associated with the Project. The scope of the study is to:

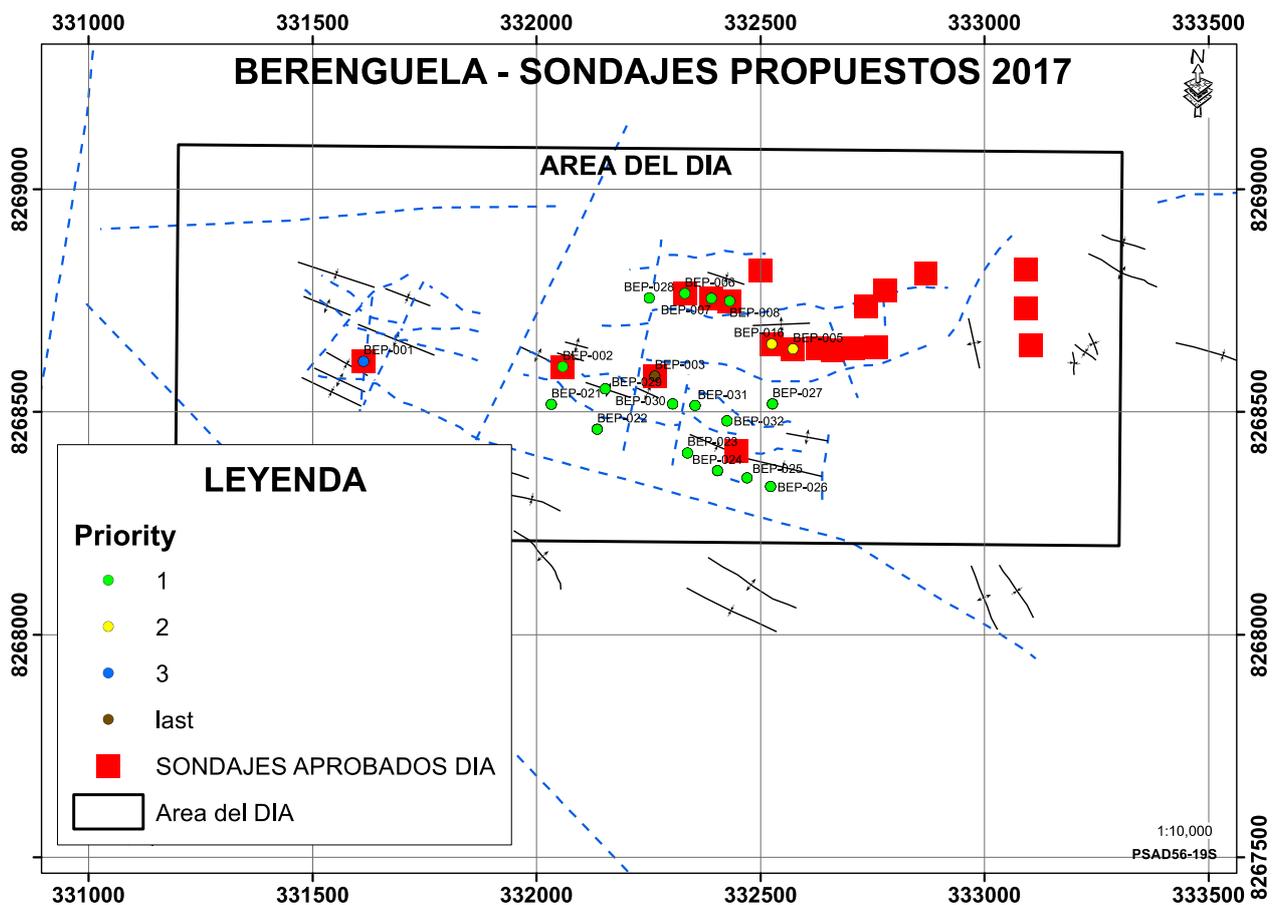
- Assess key economic and technical parameters;
- Estimate life of mine inventory, mine design and scheduling;
- Ore Concentrate Quality & Recovery;
- Capital & Operating Cost Estimation; and
- High Level Financial Analysis: Cash Flow Projections

The Company expects to announce the results of the Scoping Study before the end of June 2017.

## 9,570 Meter Drill Program & Key Technical Appointments

The Company has recently completed a review of the potential to upgrade the Project's indicated and inferred resource categorisation in the near term and as a result the Company has decided to nearly double the size its planned drill program at the Project from 5,000 meters to approximately 9,570 total meters of drilling.

The program will consist of 66 holes with an average depth of approximately 145 meters and a maximum depth of approximately 200 meters. The Company intends to mobilize RC (reverse circulation) drill rigs in June 2017 and it expects to complete the drill program within 4 to 6 months. Assays will be processed by SGS Labs in Lima, Peru and are expected to be completed within 7-8 months from the start of the drilling program.



Drilling Program Map at the Berenguela Central Deposit. Proposed 9,570 meters of drilling to commence June 2017

Dr. Ernesto Lima, the Company's COO, will oversee and coordinate all field activities at Berenguela. Dr. Lima has appointed a lead geologist to oversee the drilling campaign, along with two assistant geologists to execute the program. Geologist Jimmy Luna has been appointed to design and oversee the drilling campaign. Mr. Luna previously spent 4 years as a geologist for SSRI working on the Berenguela project and brings a wealth of knowledge to the project. Mr. Luna will have 2 assistant geologists working with him in the field.

### Metallurgical Studies:

The Company has prepared and delivered an initial 150kg of samples to be tested for the first step in processing optimization. VAL has appointed Alejandro Nario, as the Company's lead consulting metallurgist to assist in coordinating key metallurgical lab tests. Mr. Nario has extensive experience in metallurgical testing of

similar ore bodies in Berenguela's mineral district in southeastern Peru. VAL has selected Laboratorio Metalurgico Chapi S.A.C (Chapi) in Lima, to conduct the first metallurgical test work. Chapi has unique insight into processing iron-oxide ore for copper and silver separation within Berenguela's mineral district in southeastern Peru. Chapi has conducted extensive metallurgical work for the near-by Tacaza copper mine and processing plant to separate copper, silver and zinc, as well as numerous copper-silver and other polymetallic deposits within Peru.

The initial testing will consist of a simple flotation process for the purposes of separating copper and silver from the manganese rich ore. The Company believes this processing option has been previously underexplored by previous owners and has the potential to simplify the metallurgical process flow sheet and provide a path to a low CAPEX and low OPEX solution for the processing of copper and silver.

The Company is working closely with its consulting metallurgist, Alejandro Nario, to construct a series of tests to optimise the separation of manganese. VAL will keep the market apprised of all activities related to metallurgical test work in due course.

For further information, please contact:

Mark Sumner

#### **Competent Persons Statement**

The technical information in this release is based on compiled and reviewed data by Mr. Marcelo Batelochi. Mr. Batelochi is an independent consultant with MB Geologia Ltda and is a Chartered Member of AusIMM – The Minerals Institute. Mr. Batelochi has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Batelochi consents to the inclusion in the report of the matters based on their information in the form and context in which it appears. Mr. Batelochi accepts responsibility for the accuracy of the statements disclosed in this release.

MARCELO ANTONIO BATELOCHI (CP), Brazilian, Geologist, holds a degree in 1991, Bachelor of Honors from School of Geology at UNESP - São Paulo State University, Brazil. More than twenty years of experience in the mineral resource evaluation of Iron, Copper/ Gold, Nickel, Bauxite, REE and PGE Deposits, as employee of Rio Tinto (12 years), Vale (4 years), Ferrous Resources (6 years) and One year as Independent Consultant ("MB Geologia"). Member of the Australasian Institute of Mining and Metallurgy and is qualified as a Chartered Profession of Geology and Mineral Resources (Qualified to assign JORC and Ni-43101 Mineral Resource Reports).